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C O N F I D E N T I A L SECTION 01 OF 02 BRASILIA 000913

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SANTO DOMINGO FOR SECRETARY OF ENERGY ABRAHAM; RIO FOR
JSCNEC DELEGATION MEMBER BURKART

E.O. 12958: DECL: 04/14/2009

TAGS: [ENRG](#) [KNNP](#) [PREL](#) [KSCA](#) [BR](#) [NPT](#)

SUBJECT: BRAZIL AND U.S. HOLD FRANK, CONSTRUCTIVE TALKS ON
NUCLEAR NON-NONPROLIFERATION ISSUES

Classified By: Sci/C Daniel Rubinstein; Reasons 1.5 (B), (D).

1. (C/NF) SUMMARY: U.S.-Brazil policy discussions in the Joint Standing Committee for Nuclear Energy Cooperation were positive, non-confrontational, and useful to both sides. While Brazil did not express new policy positions on high-profile issues such as the Additional Protocol (AP) or the Resende enrichment facility safeguards in these talks, the Brazilian interaction with the USDEL strongly suggests that the GoB is feeling the need to respond to IAEA pressure regarding the Resende enrichment facility, and that the GoB is reviewing its position on the AP. A/S Wolf emphasized that universal adherence to the AP is a keen interest of the U.S., and that while the USG is not pressuring the GoB, it is pressing the IAEA to strengthen the credibility of the safeguard system across the board. END SUMMARY.

2. (U) The first U.S.-Brazil Joint Standing Committee on Nuclear Energy Cooperation (JSCNEC) opened April 14 in Brasilia. The USDEL was led by A/S for Non-Proliferation John Wolf, and included representatives from State, DOE, the NRC, and three national laboratories. The Brazilian side was led by the Foreign Ministry's Director for International Organizations (A/S-equivalent) Antonio Guerreiro and included Ambassador at Large for Disarmament and Non-Proliferation Sergio Duarte, representatives from the Foreign and S&T Ministries, and the National Nuclear Energy Commission (CNEN). Technical-level discussions on safeguards, nuclear security and safety, and technical cooperation will occur in Rio de Janeiro April 15-16. Septel will cover A/S Wolf's April 13-14 meetings with Guerreiro, Duarte, and Defense Minister Viegas.

3. (C/NF) After a brief look back at U.S.-Brazilian nuclear ties, A/S Wolf reviewed the key elements of the President's February National Defense University address, as well as global developments and abuse of the Nuclear Non-Proliferation Treaty (NPT) that led to this new policy direction. Wolf urged that Brazil show leadership on non-proliferation and that there be no distance between Brazil and the U.S. on the non-proliferation front. Emphasizing the centrality of the AP to U.S. efforts, Wolf highlighted the recent advice and consent of the U.S. Senate to the AP and encouraged Brazil to consider signing the AP as well. Wolf noted that the Resende enrichment facility safeguards issue is one to be settled by the GoB with the IAEA, not with the U.S. The USG is, however, pressing the IAEA to strengthen the NPT safeguards system across the board. IAEA Director General El-Baradei has spoken of the need to "close the loopholes," and the U.S. fully agrees. The USG will continue to work hard to prevent the spread of proliferation-sensitive fuel cycle technologies. The U.S. is comfortable with the IAEA's commitment to preserve the confidentiality of sensitive technologies, and Brazil needs

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to work with the IAEA to reach a similar comfort level. Wolf urged the GoB to accelerate discussions with the IAEA regarding the Resende facility.

4. (C/NF) In response, Brazilian Delegation Head Guerreiro reiterated long-standing GoB points on the need for the disarmament leg of the NPT to receive equal attention and for universal adherence to the NPT to precede the universalization of the AP. On Resende, Guerreiro said the GoB has "complete confidence" that it will reach agreement with the IAEA about a safeguards regime; since the facility is not yet operational, it is not yet time for it to be safeguarded. Guerreiro explicitly acknowledged that it is the IAEA, not the USG, that is pressuring the GoB on the Resende issue.

5. (SBU) After the USDEL presentation on the USG's own AP implementation plans in the afternoon session, the Brazilians queried the USDEL in detail on several fronts, including our interpretation and use of the national security exclusion, our understanding of the measures that can be used under the

"managed access" regime, and our preliminary estimates of the costs associated with compliance with the AP. The exchanges were substantive, candid, and constructive. USDEL suggested that Brazil consider the creation of an Action Sheet activity within the bilateral U.S.-Brazil safeguards sphere to expand on these questions and themes, as well as the possible provision of an intern to assist working through these issues. The Brazilian delegation took the suggestions on board.

16. (SBU) Beyond the AP and Resende issues, the delegations made presentations and discussed respective views on the next NPT Review Conference, the Comprehensive Test Ban Treaty, the Fissile Material Cutoff Treaty, the Convention for the Physical Protection of Nuclear Materials, and the Nuclear Suppliers Group. The delegations also briefed on each country's respective nuclear programs and policies, as well as issues regarding the transport of nuclear materials. Brazil reviewed the triangular (IAEA, ABACC, and CNEN) system of safeguards in place at Brazilian nuclear facilities, and answered USDEL questions regarding the extent of IAEA-ABACC cooperation. USDEL in turn described the safeguards system in place at U.S nuclear facilities.

17. (C/NF) Given the extensive coverage of specific regional non-proliferation concerns during A/S Wolf's 4/13 meetings with GoB officials, the theme was lightly revisited during the JSCNEC. The Brazilian delegation, however, sought U.S. views regarding Iran, with particular emphasis on the degree to which Iran's statement that it is implementing its AP affects USG concerns. A/S Wolf reiterated that the U.S has seen no Iranian statement or action that mitigates these concerns, and that we are convinced of the Iranian strategic decision to pursue nuclear weapons capabilities. COMMENT: It is clear the Brazilian and U.S perspectives on Iranian nuclear intentions remain divergent. END COMMENT.

18. (C/NF) COMMENT (cont.): A/S Wolf's meetings with key GoB non-proliferation figures (septel) before the JSCNEC provided an opportunity to clear the air and remove any sting emanating from the recent media controversy on Brazilian nuclear intentions kicked off by an April 4 Washington Post article about the Resende facility. While the Brazilians did stick to long-standing policy positions on many issues, their willingness to state categorically and on the record that there will be an agreement between the GoB and the IAEA regarding the Resende enrichment facility before it commences operations shows that IAEA pressure on the GoB is working. Similarly, the Brazilians' intense focus during the JSCNEC on the USG's own implementation plans regarding the Additional Protocol is likely an indication that the GoB is carefully reviewing its own approach to the issue.

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